



## **Biweekly Narrative Seafood Report (No: 8-2002): Korea**

Prepared by Alaska State Trade Representative in Korea

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### **1. Korea Economy Update**

**Import, export prices fall in June due to strong won:** Prices of imported and exported goods fell in June, marking two consecutive monthly drops, as the strong currency made such goods cheaper, allaying concerns that inflationary pressure will mount, the Bank of Korea said yesterday.

Prices of imported goods, when measured by the Korean won, fell 3 percent in June from a month ago, mainly due to an appreciation of the Korean currency, a fall in international oil prices, and an increase in goods supply. Import prices also fell 7.4 percent in June compared with a year ago, and 0.2 percent month-on-month, on a foreign currency basis.

The Korean currency gained more than 10 percent against the U.S. dollar over the past three months, moving in lockstep with the Japanese yen.

Prices of raw materials dropped 3.3 percent in June from a month ago, with those of consumer goods and capital goods also down 4.1 percent and 1.1 percent, respectively, over the cited period.

Prices of imported and exported goods fell in May for the first time in five months, mainly due to an appreciation of the Korean won.

In the meantime, prices of exported goods edged down 3.4 percent in June from a month ago, as the Korean currency gained ground, and price competition intensified in export regions, the central bank said.

When measured by a contracting currency, prices of exported goods fell 0.3 percent from a month ago.

Prices of industrial goods fell 3.4 percent, while those of agricultural, forestry and fishery goods also edged down 1.3 percent month-on-month in June.

Meanwhile, Korea's terms of trade, which had improved since late last year, began to deteriorate, as prices of exported goods fell 6.3 percent in the period of April to June, compared with a drop of 3.6 percent in prices of imported goods over the stated period, according to the central bank's report.

*(Source: July 11, 2002, the Korea Herald, Seoul, Korea)*

**Consumer Prices Rise 2.6 Pct in June:** Consumer prices increased by 2.6 percent year-on-year this month, down from the 3 percent hike in May, the National Statistical Office (NSO) said yesterday.

The comparable inflation rate was 2.5 percent in April, 2.3 percent in March and 2.6 percent both in February and January.

However, the NSO reported that the prices fell by 0.1 percent month-on-month in June, compared with a growth of 0.4 percent in May, 0.6 percent in April and March, 0.5 percent in February and 0.6 percent in January.

The drop came for the first time since November 2001, when monthly consumer prices declined by 0.6 percent.

Tuitions and other education-related fees jumped by 6 percent on a month-on-month basis. Housing costs also climbed by 5.2 percent.

Prices of garments and shoes rose by 2.5 percent. Furniture and household products recorded a 1.9 percent increase in their prices.

But, prices of agriculture, livestock and fisheries products fell by 1.4 percent from the previous month.

Energy and tap water charges dropped by 5 percent. Healthcare fees went down by 2.3 percent.

Transportation and telecommunication charges also fell by 1.2 percent.

On a year-on-year basis, prices of farm, livestock and fisheries products surged 6.1 percent in May, while housing rental fees increased by 5.7 percent.

Personal services charges edged up by 3.7 percent and prices of manufactured goods rose by 1.5 percent.

Public utility charges fell by 2.1 percent last month from a year earlier. Doctor fees and city gas charges declined by 15.9 percent, and 12.8 percent, respectively.

The Ministry of Finance and Economy predicted that consumer prices will maintain stability next month as there is little inflationary pressure on the back of a fall in oil prices.

A ministry official said the recent strength of the local currency against the U.S. dollar is also expected to contribute to price stability as prices of imported goods will go down.

*(Source: June 28, 2002, the Korea Times, Seoul, Korea)*

## 2. Fisheries News in Korea

**Fishery Mart to Introduce Refund System:** One of the largest fishery markets in Seoul is set to introduce a refund system for customers for the first time in the country.

The Noryangjin Fisheries Wholesale Market (NFWM) said Sunday that, starting from next month, customers can claim a refund in cash or kind if they are not satisfied with fisheries products purchased at the marketplace.

The market accommodates about 850 retail vendors.

*(Source: June 16, 2002, the Chosun Ilbo, Seoul, Korea)*

**Online Sales Surge to W522.53 Bil:** The monthly amount of sales through online shopping malls surpassed the 500 billion won mark for the first time in Korea in May.

According to data released by the National Statistical Office (NSO) yesterday, the number of online shopping malls increased by 19.9 percent to 2,372 from a year earlier.

The NSO reported the shopping malls posted 522.53 billion won in sales in May, marking an 86.9-percent surge from 279.61 billion won in the same month last year.

The comparable monthly amount was estimated at 462.86 billion won in April, 466.23 billion won in March, 438.27 billion won in February and 434.52 billion won in January.

An NSO official attributed the surge to the growing popularity of online shopping malls and the more widespread use of the Internet and other online networks.

He also said cyber shopping malls could increase sales, aided by their aggressive promotional events on the occasion of Parents' Day and Teacher' Day, which fell on May 8 and May 15, respectively.

The official also pointed out that online shopping malls made efforts to develop low-priced products to boost their sales.

Sales of home appliances, electronics goods and telecommunication equipment were estimated at 91.02 billion won, accounting for 17.4 percent of the total online sales.

The figure was 35.3 percent up from 67.68 billion won recorded in May last year.

Computers and their peripherals, which took 14.4 percent of the total online sales, saw their sales slide by 6.7 percent to 75.17 billion won.

Sales of farm and fisheries products showed the highest growth rate of 396.2 percent, surging to 26.66 billion won from 5.37 billion won

Transactions of auto parts and sundry products through cyber shopping malls soared by 333.7 percent to 68.83 billion won in May from a year before. The sum represented 13.2 percent of the total online sales.

Cosmetics and perfumes also registered a 295.5 percent climb in online sales, which increased to 22.47 billion won from 5.68 billion won on a year-on-year basis.

Online sales of garments and fashion goods jumped 247.6 percent to 39.71 billion won from a year ago.

Food, beverages and health aids witnessed their online sales surge by 233.5 percent from 5.22 billion won to 17.42 billion won.

Package tours and reservation services for airlines, hotels and concerts via online networks increased by 118.7 percent to 30.55 billion won.

Online sales of books rose by 60.4 percent to 25.22 billion won, while the sale of software programs, including games, grew by 35.3 percent to 6.94 billion won.

*(Source: July 9, 2002, the Korea Times, Seoul, Korea)*

### **3. Weekly Trend of Wholesale Fisheries Market in Korea**

#### **1) Noryangjin Wholesale Fisheries Market: Second Week of July**

Prices for most seafood went down due to slow consumption in summer.

“ Live croaker: in a peak season, price- W 34,000 per kg for high

“ Supply of fresh squid and hair tail from China is on the increase

(Source: <http://www.susansijang.co.kr/>)

#### **2) Garakdong Wholesale Fisheries Market: July 1 – 6, 2002**

Due to the effect of a typhoon “Ramasun,” the prices for most species decreased due to poor demand.

◆ Fresh Pollock (imported from Japan): Daily supply – 350 boxes,

(Source: [www.garak.co.kr](http://www.garak.co.kr))